





GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT Establishment of a

California-China Office of Trade and Investment

MARCH 2013

Executive Summary

During Chinese Vice President Xi Jinping's visit to California in February 2012, Governor Brown announced plans to open a new trade and investment office in China to increase direct investment in California and give the state's businesses a distinct advantage in China.

"The Pacific Rim has become the center of the world economy, presenting California with countless opportunities to grow alongside our neighbors across the ocean. The office will encourage direct investment and further strengthen the existing ties between the world's second- and ninth-largest economies." – Governor Brown

In September 2012, Governor Brown signed into law Assembly Bill 2012, authored by Speaker John A. Pérez. The bill authorizes the Governor's Office of Business and Economic Development (GO-Biz) to serve as the state agency primarily responsible for international trade and investment activities in the state, and it authorizes GO-Biz to carry out specified powers and duties including developing and implementing an international trade and investment program, establishing and terminating international trade and investment offices outside of the United States, and accepting private donations for those purposes.

The bill also authorizes GO-Biz to designate nonprofit entities to operate international trade and investment offices outside of the United States. At the time of the bill signing, the Governor announced his intention to utilize the Bay Area Council, headquartered in San Francisco and with an office already located in Shanghai, as a non-profit partner to open California's office in China.

In October 2012, GO-Biz signed a partnership agreement with the Bay Area Council Foundation to begin the operational and fundraising planning necessary for establishing such an office and for reporting sufficient details to the Legislature prior to formal opening of the office.

Under this partnership agreement, GO-Biz intends the city of Shanghai to be the site of California's first trade and investment office. Space has been secured in the Yangpu District, the largest of the downtown districts of Shanghai and home to 1.3 million inhabitants. The district, with quick access by road and subway to the rest of Shanghai, has the largest concentration of universities and research centers in China, along with backing by the central government as an official innovation zone of China.

A formal California trade and investment strategy is not due to the Legislature prior to February 2014. The 2013 workplan of the China office outlined herein is based on careful consideration of activities that best leverage resources of the State of California and other resources, as well as recommendations submitted to the Legislature by the Business, Transportation and Housing Agency in 2007 and 2008.

Publication Information: California Governor's Office of Business and Economic Development. 2013. Establishment of a California-China Office of Trade and Investment. Prepared by Paul V. Oliva, Deputy Director, International Affairs and Business Development. Submitted to the California Legislature pursuant to Assembly Bill 2012, Statutes of 2012 (Gov Code Title 2, Div 3, Part 4.7, Ch 2.5, Sec 13996.41-13997.6). March 2013.

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